

August 15, 2012

ITEM NO. B4

**AUTHORIZATION TO EXECUTE A TASK ORDER CONTRACT WITH
CONSTRUCTION COST SYSTEMS, INC. FOR PROFESSIONAL CONSTRUCTION
COST ESTIMATING SERVICES - CHA WIDE**

To the Honorable Board of Commissioners:

RECOMMENDATION

It is recommended that the Board of Commissioners authorize the Chief Executive Officer or his designee to execute a task order contract with Construction Cost Systems, Inc. (CCS) for professional construction cost estimating services for various Chicago Housing Authority (CHA) development deals in the amount not-to-exceed (NTE) \$300,000, as the total for two (2) year contract capacity. The contract duration will be comprised of one (1) year base term with an option to extend the contract for an additional year.

FUNDING

Funding: General Fund

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| RFP Number: | RFP 12-00905 |
| Contract Type: | Professional Services |
| Contract Time: | One (1) Base Year (2012-2013) plus One (1) One-Year Option (2014) |
| Date Advertised: | March 28, 2012 |
| Pre-Proposal Conference: | April 5, 2012 |
| Addendum No. 1 Issued: | April 16, 2012 |
| Date Proposals Opened: | April 23, 2012 |
| Advertisement Publication(s): | CHA website BuySpeed Online |
| Number of Vendors Solicited: | 48 (including 14 MBE/WBE firms) |
| Number of Assist Agencies: | 64 |
| Number of Pick-ups: | 38 (including 14 MBE/WBE firms) |
| Number of Proposals Received: | 3 (including 1 MBE firm) |
| Contract Amount: | \$ 300,000 Not-to-Exceed |

M/W/DBE Participation and Section 3: This is a Task Order Contract, therefore MBE/WBE/DBE and Section 3 opportunities will be met on each Task Order based on the total dollar value. Task Order affidavits are on file for each vendor.

GENERAL BACKGROUND

The CHA is required by HUD regulations to undertake a third party construction cost estimate whenever the general contractor is owned by the developer, an "identity of interest" relationship. The process of addressing "identity of interest" is performed whenever the CHA contemplates

providing a loan for the development of housing. This process reviews and analyzes non-arm's length aspects of the transaction to identify and address any resulting adverse costs/pricing. In the past the Habitat Company as court appointed receiver procured and managed construction cost estimators for the evaluation of construction projects at several mixed income sites. With the approaching termination of receivership, the Office of Development Management ("ODM"), will assume similar responsibility and manage construction cost estimators to evaluate its upcoming large housing development transactions in addition to construction cost estimates for smaller rehabilitation projects. The independent cost estimating assists in cost control as well as validates the CHA's contribution of funds into the development deal.

Construction Cost Estimating Services will allow ODM to have a third party perspective on construction costs at various project begin developed, designed and constructed to determine reasonableness of the costs being proposed by the Developer.

This contract will support approximately fifteen (15) to twenty (20) Development proposals over the next two (2) years.

A professional construction cost estimator gives the CHA the opportunity to maintain a third party professional firm under contract at pre-established hourly rates. Whenever the CHA determines that it needs a third party cost estimate, it will request that the awardee provide a proposal for the estimate. The proposed fee is subject to negotiation as to the number of hours required. After an acceptable cost for the work is reached, a task order will be issued to proceed with the work. In some instances the costs for this professional service will be included in Development budgets for reimbursement to CHA.

The CHA solicited proposals from professional construction cost estimator services firms ("Respondents") to propose fees for all necessary construction cost estimating services related to construction activities of existing dwelling buildings, or portions thereof, non-dwelling facilities and new construction of dwelling and non-dwelling properties. This includes, but is not limited to, cost estimating, bid evaluation, special cost reports, cost-benefit analyses, value engineering and claims analysis. The Cost Estimator's work will be directed by ODM beginning in 2012. Task Orders under the contract may be assigned for an aggregate total not-to-exceed the \$300,000 two (2) years of contract capacity. The contract duration will be comprised of one (1) year base term with the option to extend the contract for an additional year.

PROCUREMENT HISTORY

The CHA advertised Request for Proposal No. 12-00905 (RFP) for professional construction cost estimating services on March 28, 2012. The RFP was on CHA's website and BuySpeed Online. Forty-eight (48) vendors were directly solicited including fourteen (14) M/W/DBE firms and the RFP was downloaded by thirty-eight (38) firms. A Pre Proposal Conference was held on April 5, 2012. One (1) addendum was issued on April 16, 2012 which provided potential Respondents with clarification to questions regarding the RFP.

Three (3) proposals were received on April 23, 2012. The proposals were deemed responsive and were evaluated by the evaluation committee. After the committee completed its analysis of the proposals, the Contracting Officer set the competitive range and all three (3) firms scored within that range. Oral presentations, clarifications and negotiations were held with the firms that scored within the competitive range and the best and final offers were submitted. Based

upon the evaluation of the written proposals, oral presentations, and best and final offers, it was determined that Construction Cost Systems, Inc. (CCS) will provide the best value to the CHA.

Based on the foregoing, it is in the best interest of the CHA to execute a contract for Professional Construction Services - CHA wide with Construction Cost Systems, Inc., in an amount not-to-exceed (NTE) \$300,000.00, as the total for two (2) year contract capacity. The contract duration will be comprised of one (1) year base term with the option to extend the contract for an additional year.

The award is subject to the Contractor's compliance with the CHA's MBE/WBE/DBE, Section 3 resident hiring, and bonding and insurance requirements.

RESOLUTION NO. 2012-CHA-64

WHEREAS, the Board of Commissioners has reviewed the Board Letter dated August 15, 2012, entitled "AUTHORIZATION TO EXECUTE A TASK ORDER CONTRACT WITH CONSTRUCTION COST SYSTEMS, INC. FOR PROFESSIONAL CONSTRUCTION COST ESTIMATING SERVICES - CHA WIDE";

THEREFORE, BE IT RESOLVED BY THE CHICAGO HOUSING AUTHORITY

THAT the Board of Commissioners ("Board") authorizes the Chief Executive Officer or his designee to award a task order contract with Construction Cost Systems, Inc. (CCS) for professional construction cost estimating services for various Chicago Housing Authority (CHA) development deals in the amount not-to-exceed (NTE) \$300,000, as the total for two (2) year contract capacity. The contract duration will be comprised of one (1) year base term with an option to extend the contract for an additional year.

These awards are subject to each Contractor's compliance with the CHA's MBE/WBE/DBE, Section 3 resident hiring, and bonding and insurance requirements.

